

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 98-634

March 1, 2000

PUBLIC UTILITIES COMMISSION
Investigation into Area Code
Relief

ORDER

WELCH, Chairman, NUGENT and DIAMOND, Commissioners

I. SUMMARY

In this Order, we deny Bell Atlantic's (BA) Motion to Defer the Implementation of Pooling Until October 2000 (Motion). In addition, we adopt several changes to the pooling implementation schedule established at the Industry Implementation Meeting.

II. BACKGROUND

On November 4, 1999, the Commission ordered the implementation of thousand block pooling in Bell Atlantic's service territory by June 1, 2000.¹ On November 17, 1999, an Industry Implementation Meeting was held during which the following schedule for pooling implementation was established:

November 4, 1999 - February 2, 2000	Block Protection
April 1, 2000	Block Forecast Report
April 27, 2000	Block Donation Identification
April 27, 2000 – May 18, 2000	Pooling Administrator Assessment of Industry Inventory
May 25, 2000	Uncontaminated Block Donation
June 1, 2000	Pool Start Date
October 31, 2000	Contaminated Block Donation

BA, as well as the other pooling participants, indicated at the meeting that they were willing and able to meet this schedule.

On November 30, 1999, BA filed its Motion requesting that the Commission delay the implementation of pooling until October 2000. BA argued that delaying the start date would allow BA to modify its operational support systems (OSSs) so that it could implement pooling on a mechanized basis and avoid the costs associated with manual

¹ On September 28, 1999, the FCC delegated authority to the Commission to establish thousand block pooling in all LNP-capable rate centers in Maine. *In the Matter of Maine Public Utilities Commission, Petition for Additional Delegated Authority to Implement Number Conservation Measures*, CC Docket No. 96-98, Order (September 28, 1999) (*FCC Delegation Order*).

implementation of pooling. BA estimated that the “one time” fixed costs associated with manual pooling would exceed \$10 million for Maine. BA also claimed that delay of the start of pooling would not negatively impact the exhaust date of the 207 NPA.

On December 1, 1999, the Hearing Examiner issued a procedural order requiring BA to provide a detailed analysis of the incremental costs associated with pooling on June 1, 2000 rather than October 2000 and set December 10, 1999, for a hearing on BA’s Motion. On December 7, 1999, BA submitted its detailed cost analysis. According to BA, a June 1 start date would result in \$7.3 million in incremental expenses that would be shared by all the states that pooled in the BA-North area and \$2.9 million in incremental Maine-specific costs.

During the questioning of BA on December 10, 1999, it became clear that many of the costs included in BA’s estimates were not incremental costs associated with a June start date, but were costs that would be incurred regardless of the start date. Further, it also was clear that many of the fundamental assumptions used by BA in its calculations were flawed. For example, BA assumed that all its numbering needs during the manual portion of the pool would be met with donated blocks. Given that BA would be allowed to keep at least a 6-month inventory of numbers, such an assumption grossly overstates the costs associated with the June 1 start date. Because of the unreliability of the BA estimates, the Commission requested that BA submit revised cost estimates if it wished to pursue its Motion.

On December 14, 1999, the Hearing Examiner issued a procedural order requiring BA, all CLECs, and all wireless carriers to submit updated COCUS information by December 30, 1999, so that the Commission could evaluate the impact that the pool start date would have on the exhaust of the 207 NPA.

On December 29, 1999, BA resubmitted its cost estimates. According to BA’s revised estimates, the shared incremental costs for a June start date would be \$2.6 million dollars and the Maine-specific incremental costs would be \$2.5 million dollars.

III. BA’S MOTION

A. Updated COCUS Information

According to the updated COCUS information provided by the carriers,² the number of new codes needed for this year is as follows:

1/00-6/00
32

6/00-12/00
25

² One carrier has not yet provided its updated COCUS data.

These estimates do not include any codes for new entrants. Based upon new entrant needs in 1999, NANPA's growth forecast for the 207 NPA, and the number of pending CLEC certifications, at least 40 additional codes will be needed in 2000 for new entrants.³

Currently, there are approximately 155 codes left in the 207 NPA. Wireless carriers will not be LNP-capable, and thus able to pool, until November of 2002. Further, Maine's 23 independent telephone companies (ITCs) are not yet LNP-capable and are not required to be so until they receive a *bona fide* request. Accordingly, in order to appreciably extend the life of the 207 NPA, Maine needs a sufficient supply of full NXX codes to meet wireless and ITC numbering needs for at least the next three years, as well as to fill individual rate center pools.

If the Commission were to delay pooling until October 2000, there would only be approximately 56 NXX codes left at the time pooling began. While forecasted wireless needs for 2001 and 2002 are minimal, the Commission cannot be sure of the accuracy of the forecasts or the exact date of wireless implementation of pooling. In addition, it is unclear exactly how many codes will be needed to fill rate center pools between October 2000 and December 2003. If pooling begins in June, there will be approximately 104 NXX codes left, an amount that should be sufficient to meet wireless and ITC needs and fill rate center pools for several years.

B. BA's Revised Cost Estimates

As noted above, BA's revised cost estimates decreased the overall costs by \$5 million (50% of the original estimate). The following tables summarize the costs (as provided by BA) associated with each aspect of pooling over the next year and the implementation date after which the cost would be completely avoided.

MAINE-SPECIFIC COSTS

<u>COST</u>	<u>AMOUNT</u>	<u>AVOIDANCE DATE</u>
Donation of Vacant Blocks	\$1,060,900	November 1, 2000
Donation of Contaminated Blocks	\$84,601	February 1, 2001
Receipt of BA-ME Blocks	\$18,515	April 1, 2001
Receipt of CLEC Blocks	\$1,570,321	April 1, 2001

³ Last year, new entrants obtained approximately 37 codes. NANPA based its May 1999 exhaust forecast for the 207 NPA in part upon a projection of 20 growth codes needed by new entrants per year.

SHARED COSTS

<u>COST</u>	<u>AMOUNT</u>	<u>AVOIDANCE DATE</u>
Common	\$270,820	November 1, 2000
Donation of Vacant Blocks	\$1,560,000	November 1, 2000
Donation of Contaminated Blocks	\$0	February 1, 2001
Receipt of BA-ME Blocks	\$0	April 1, 2001
Receipt of CLEC Blocks	\$862,400	April 1, 2001

If two changes are made to the current pooling implementation schedule, all but \$1,151,105 of the costs described by BA will be avoided.⁴ First, if we delay donation of contaminated blocks until February 1, 2001, \$84,601 in costs are avoided. Second, if we delay BA's use of donated blocks (either BA or CLEC donated) until April 1, 2001, \$1,804,436 in costs are avoided.⁵

To implement these changes to the schedule, one modification must be made to the Industry Numbering Committee Thousand Block Pooling Administration Guidelines (INC Guidelines). In order to ensure that BA will not be required to use any donated blocks until after April 1, 2001 (which allows Maine to avoid the costs associated with manual use of donated blocks), we must allow carriers to keep a 15-month supply of blocks at the time pooling begins. While the 15-month supply calculation assumes a 6-month inventory rather than a 9-month inventory, a final determination regarding the permanent use of a 6 or 9-month inventory will be made during our consideration of the State Coordination Group's proposed revisions to the INC Guidelines.

C. Analysis of Utilization Data

Based upon an analysis of the number utilization data provided by the Industry in the fall of 1998, March 1999, and September 1999, it appears that there will be sufficient vacant blocks to initially populate the pools in almost all pooling rate

⁴ Use of BA's numbers for the purpose of this analysis does not indicate any finding by the Commission that these costs will be fully recoverable. The amount and method of recovery of BA's carrier-specific costs will be determined in a later phase of this proceeding. The Commission intends to schedule a technical conference to further consider cost recovery issues.

⁵ $\$18,515 + \$1,570,321 + (\$862,400/4) = \$1,804,436$. Shared costs are divided by four states (ME, NH, MA, and NY) because BA has a very minimal presence in Connecticut and thus Connecticut will likely not pay a full share of the costs. Vermont and Rhode Island were not included in the calculation because they have not applied for nor received any authority from the FCC to conduct a numbering pooling trial.

centers. Specifically, fewer than 10 rate centers will likely have to be filled by full NXXs if carriers donate all vacant blocks not needed to meet their 15-month supply needs.

This analysis is preliminary and does not take into account: (1) technical limitations, such as the need for Centrex customers to avoid certain thousand blocks; (2) any unexpected spikes in customer demand due to the introduction of a new product into the marketplace or any other special marketing programs; or (3) rate center-specific forecasts by carriers.

At the Industry Implementation Meeting on November 17, 1999, BA and other carriers indicated a willingness to work with the Commission if it became clear that the donation of a limited number of contaminated blocks to meet specific rate center numbering needs would result in substantial savings in whole codes. The Commission, through its staff, will work closely with the carriers and NeuStar to populate the individual pools as efficiently as possible.

D. Decision

When the findings described above are considered together, it becomes clear that for approximately \$1.1 million the Commission can begin pooling on June 1, 2000, save at least 40 full codes (wireline codes projected to be used after the pool start date plus half of the estimated new entrant codes), and be assured that there is a sufficient supply of both blocks and full codes in the 207 NPA for many years. If pooling does not begin until October 2000 and there are more new entrant code needs than anticipated, it is quite possible that the 207 NPA could exhaust before the benefits of pooling can be realized. It is also important to note that once thousand block pooling is in place for all carriers, 40 full codes could supply many years of numbering needs for the 207 NPA. Thus, the Commission will proceed with the June 1 start date for pooling with the modifications suggested above.

We do not reach a final decision regarding whether the Commission will adopt the State Coordination Group's (SCG) version of the INC Guidelines. The Hearing Examiner mistakenly included a reference to those guidelines in the Examiner's Report when the intention was to first seek further comment and then reach a decision. A procedural order was issued on February 1, 2000, requesting comment of the SCG's version of the Guidelines by February 22, 2000. While we note that the FCC has clearly delegated authority to modify the Guidelines and that state input to the Guidelines will likely be very valuable, we will defer a final decision until after we have had an opportunity to review the parties' comments.

With regard to the comments of MCI WorldCom, Inc. (MCI) concerning the need for written procedures on BA's disposition of excess blocks acquired before April 1, 2001, we agree with MCI that BA should not be allowed to retain any unnecessary blocks for which it becomes the LERG-assignee. We note that in its

comments to the Examiner's Report, BA commits to returning all unnecessary blocks by the May 25, 2000 block donation date. We direct the Hearing Examiner to work with the parties to develop a written protocol to ensure that all carriers maintain only a 15-month supply of blocks at the time pooling begins.

Dated at Augusta, Maine, this 1st day of March, 2000.

BY ORDER OF THE COMMISSION

Dennis L. Keschl
Administrative Director

COMMISSIONERS VOTING FOR: Welch
 Nugent
 Diamond

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. §9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 30 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Civil Procedure, Rule 73, et seq.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.